

# First-Time Homebuyer Programs

## Shared Equity: Down payment and Closing Cost Assistance (DCCA)



The City of Chula Vista has established a program to assist first-time homebuyers with down payment and closing costs. The DCCA is designed as “gap” financing with maximum loan amounts of \$40,000 for a new or existing home in Chula Vista or up to \$70,000 for a vacant property that has foreclosed and is now Real Estate Owned (REO).

The City contracted with Community HousingWorks (CHW) to administer the DCCA program, for additional information and to apply contact them at [www.chworks.org](http://www.chworks.org) or (619) 282-6647.



### Eligibility Criteria

- ❖ Your annual household gross income may not exceed the following figures:

Household Size	Annual Income
1 person	\$44,250
2 people	\$50,550
3 people	\$56,900
4 people	\$63,200
5 people	\$68,250
6 people	\$73,300
7 people	\$78,350
8 people	\$83,400

Effective 2/08, subject to periodic updates

- ❖ You may not have held an ownership interest in property within the past three years.
- ❖ You must be able to qualify for primary financing from a participating (CHW approved) lender.
- ❖ You must be able to contribute a minimum of three percent (3%) of the purchase price from your own funds.
- ❖ The home must be your principal residence after escrow close.
- ❖ Maximum liquid assets after downpayment and closing cost contribution may not exceed \$25,000.



### Property Guidelines

- ❖ The maximum purchase price cannot exceed 95% (\$559,550. effective 3/08) of the median purchase price for the area.
- ❖ Homes may be single-family dwellings, town homes or condominiums.
- ❖ The property must be vacant or owner-occupied upon execution of the purchase offer.
- ❖ The home must be free from any health and safety defects and lead-based paint hazards.
- ❖ The property must be located within the City.



### Loan Terms

- ❖ Maximum loan of \$40,000 or \$70,000 for REO properties.
- ❖ No monthly payments are required. Repayment is deferred until the borrower sells, transfers, refinances or converts the home to a rental property.
- ❖ No interest accrues on the principal loan amount. Instead the City shares in the equity. The City's equity share decreases each year, although the principal remains the same.
- ❖ The City loan may be used for down payment, closing costs, interest rate buy-downs on fixed rate loans or any combination thereof.
- ❖ Limitation on fees to be charged by Lender.



### How to Apply

1. Attend an 8-hour HUD approved First Time Homebuyer class.
2. Select a certified lender with CHW. The lender will pre-qualify you for the City's Loan Program.
3. Find a home to purchase that meets the Program requirements.
4. The Lender submits your City Loan Application to CHW.



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